STATE PROVIDENT FUND SCHEME.

42. The state Provident Fund which was started in 1107 with a view to enable Government servants to make some provision for themselves in their old age, or for their families in case of their premature demise, continued to work very satisfactorily during the year. The number of subscribers has risen to 8,246 during 1111. The fund is expected to have a closing balance of Rs 4·83 lakhs at the end of 1111 and Rs 6·48 lakhs at the end of the next year.

SAVINGS BANK.

43. The public are continuing to take advantage of this institution for the investment of their savings. The balance at the credit of the fund has risen to Rs 187·89 lakhs at the end of 1111 and is expected to reach Rs 212·89 lakhs at the end of 1112.

GENERAL REVENUE POSITION.

44. During the years 1109 and 1110, the accounts showed a deficit of Rs 5·77 and Rs 4·45 lakhs respectively. The revised estimate of 1111 is likely to result in a deficit of Rs 5·06 lakhs. For the first time after three years, a small surplus of Rs 3·54 lakhs is anticipated for the next year. The Electrical undertakings which form the major part of our remunerative assets may not, on the whole, be expected for some years, to pay us more than the prescribed return of 5 per cent. Expenditure chargeable to revenue is, on the other hand, likely to increase inevitably under certain heads such as pension charges, interest charges and the Sinking Fund for loans, and Army. Taking all the factors into account, the need for curtailing the expenditure charged to revenue is imperative. As we have exhausted our Government balances *vide* para 45 below, it is absolutely essential that we should build up a reserve fund to meet capital expanditure or, unforeseen loss of revenue, or expenditure, and aim at setting apart annually about Rs 5 lakhs at least for the purpose.

Certain departments may be classified as more or less static with fixed standing charges, while other departments such as Public Works are capable of contraction and expansion according to the funds available. The percentage of expenditure on certain departments, *e. g.* Education (20 per cent), Public Works (13 per cent), Administration of Justice (5 per cent) and Medical (5 per cent) bears relatively a high proportion to the total revenue of the State. In order that each department may have a reasonable proportion of the total revenue for its activities according to its importance and usefulness and in order that there may also be

LIBRARY ARCHIVES Kerala Legislative Assembly